



Sean Rogan
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Commissioners

February 11, 2014

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D February 11, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVAL OF A COMMUNITY DEVELOPMENT COMMISSION GENERAL FUND LOAN FOR
THE MODERNIZATION AND REHABILITATION OF THE LANCASTER HOMES MULTIFAMILY
SENIOR HOUSING DEVELOPMENT
(DISTRICT 5) (3 VOTE)**

SUBJECT

This letter recommends the approval of a \$5,000,000 Community Development Commission (Commission) General Funds loan to the Housing Authority, to provide funding for the modernization and rehabilitation of the Lancaster Homes multifamily senior housing development located at 711-737 West Jackman Street in the City of Lancaster. The Housing Authority will repay the loan to the Commission over 20 years at a simple 3% fixed interest. This letter relates to an item on the agenda for the Board of Commissioners of the Housing Authority, to award a construction contract utilizing a portion of the \$5,000,000 loan.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Executive Director to provide a \$5,000,000 Commission General Funds loan to the Housing Authority, to provide for general rehabilitation work at the Lancaster Homes multifamily senior housing development in the City of Lancaster, to be paid back to the Commission over 20 years at a simple 3% fixed interest.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The 120-unit Lancaster Homes multifamily senior housing development was constructed in 1978 and needs to be rehabilitated. The modernization and rehabilitation will be funded by the \$5,000,000 Commission General Funds loan to be repaid using Lancaster Homes operating funds over the next

20 years. Modernization and rehabilitation work at Lancaster Homes includes the replacement of common area heating, ventilation and air conditioning (HVAC) systems, common area flooring, roofs, elevators, fire alarm systems, and associated work. If funding permits, additional funds would be used to remodel the kitchens and bathrooms.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority anticipates spending up to \$1,428,000 in Fiscal Year 2013-2014, to be incorporated into the Housing Authority's approved Fiscal Year 2013-2014 budget. The remaining Commission General Funds loan will be included in the Housing Authority's Fiscal Year 2014-2015 budget approval process.

The \$5,000,000 Commission General Fund loan will be restricted and reserved as a line of credit. The loan will be repaid over 20 years at a simple 3% fixed interest rate. Lancaster Homes operating funds from rental income and Housing Assistance Payments (HAP) contract funds from the U.S. Department of Housing and Urban Development (HUD) will be used to repay the Commission General Fund loan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Housing Authority recently executed a 20 year HAP contract with HUD for Lancaster Homes, which will provide a stable revenue stream for the site over the next 20 years. The Housing Authority will return to the Board as needed for approval of any applicable contracts to be funded with the Commission General Funds.

ENVIRONMENTAL DOCUMENTATION

Pursuant to 24 Code of Federal Regulation, Part 58, Section 58.34 (a) (3), this action is exempt from the National Environmental Policy Act (NEPA) because it involves administrative activities that will not alter existing environmental conditions. This action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b) of the State CEQA Guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The funds will provide for the modernization and rehabilitation of the Lancaster Homes multifamily senior housing development and will continue to provide residents with decent and safe living conditions.

The Honorable Board of Supervisors

2/11/2014

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line.

SEAN ROGAN

Executive Director

SR:mo